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1981/06/17

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2. SUMMARY: IN A THREE-HOUR MEETING ON THE MORNING OF JUNE 15, SECRETARY HAIG AND PRC VICE PREMIER AND FOREIGN MINISTER HUANG HUA DISCUSSED BILATERAL RELATIONS, THE TAIWAN ISSUE, AFGHANISTAN, SOUTHEAST ASIA AND KAMPUCHEA. THIS CABLE FORWARDS THE MEMORANDUM OF THE CONVERSATION COVERING BILATERAL ISSUES AND TAIWAN. THE INTERNATIONAL ISSUES MEMCON WILL BE FORWARDED SEPTEL.

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AT HUANG'S INVITATION, THE SECRETARY OPENED WITH A PRESENTATION OF THE REAGAN ADMINISTRATION'S INTENTION TO TREAT THE PRC AS A FRIENDLY NATION WITH WHICH THE US IS NOT ALLIED BUT SHARES MANY COMMON INTERESTS. HE STATED THE ADMINISTRATION'S INTENTION TO INTRODUCE LEGISLATION AMENDING US LAWS WHICH LUMP THE PRC WITH THE SOVIET BLOC, OUTLINE NEW CHANGES IN EXPORT CONTROL PROCEDURES AND EXPRESSED THE PRESIDENT'S INTENTIONS WITH REGARD TO MUNITIONS CONTROL.

AS EXPECTED, HUANG RESPONDED

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REVIEW

Class. A - Caption removed:
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Reviewed by: Elijah Kelly, Jr.Date: 5/16/95

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THE SECRETARY RESPONDED BY REITERATING PRESIDENT REAGAN'S ASSURANCES THAT US RELATIONS WITH THE PEOPLE OF TAIWAN WILL REMAIN UNOFFICIAL, EVEN AS WE MAKE EFFORTS TO CORRECT PAST INDIGNITIES IMPOSED ON TAIWAN FOLLOWING NORMALIZATION. HE INDICATED THAT US ARMS SALES TO TAIWAN WOULD GO FORWARD, BUT THAT NO DECISION ON AIRCRAFT WOULD BE TAKEN BEFORE THE END OF THIS YEAR, WHILE PROVISION OF SOME AIRCRAFT WOULD BE NECESSARY BEFORE THE END OF 1982, TO REPLACE AIRCRAFT AS THEY WEAR OUT. IN RESPONSE TO HUANG'S ATTACKS ON THE TAIWAN RELATIONS ACT (TRA), THE SECRETARY NOTED THAT IT HAD BEEN PASSED WITH STRONG, BIPARTISAN SUPPORT AND WAS THE

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[LAW OF THE LAND, THOUGH WE WOULD IMPLEMENT IT IN A WAY] FULLY CONSISTENT WITH THE JOINT COMMUNIQUE NORMALIZING US-CHINA RELATIONS. HE STRESSED THE IMPORTANCE OF OUR STRATEGIC COOPERATION AS A LARGER CONCERN DRIVING BOTH SIDES IN THE RELATIONSHIP, AND INDICATED THAT JUST AS THE US WOULD TAKE ACCOUNT OF CHINESE SENSITIVITIES THERE WAS A NEED FOR BEIJING TO TAKE ACCOUNT OF US SENSITIVITIES, AND ESPECIALLY TO REACT TO OFFICIAL US STATEMENTS AND DEEDS RATHER THAN THE UNOFFICIAL STATEMENTS OF PRIVATE CITIZENS, TAIWAN PRESS, OR OTHERS REGARDING US POLICIES AND ACTIONS REGARDING TAIWAN.

IN OTHER AREAS, THE TWO SIDES EXPRESSED HOPE OF CONCLUDING AGREEMENT ON TWO NEW CONSULATES, IN NEW YORK AND SHENYANG, AND DISCUSSED NUCLEAR MATTERS, AND THE SECRETARY OF COMMERCE'S PROPOSAL FOR A NEW JOINT COMMISSION ON TRADE AND COMMERCIAL RELATIONS. HUANG'S RESPONSES IN THE LATTER AREAS WERE BRIEF, BUT POSITIVE. END SUMMARY.

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HUANG ~~XXX~~ GOOD MORNING. ARE YOU RESTED? DID YOU
 HAVE A CHANCE TO RELAX AND EXERCISE?
 SECRETARY YES, I SLEPT WELL AND DIGESTED ALL THAT
 THE
 WONDERFUL BANQUET FOOD -- LIKE/~~THEXX~~ PYTHON
 WHO SWALLOWED A PIG.
 HUANG AND MR. HOLDRIDGE?
 HOLDRIDGE^D YES, I HAD A NICE REST LAST NIGHT AND WENT
 RUNNING THIS MORNING.
 HUANG HOW IS GENERAL WALTERS?
 HOLDRIDGE HE'S FINE AND OFF TO WORK.
 HUANG CAN I TAKE IT THAT TODAY WE WILL FOCUS ON
 PERHAPS
 BILATERAL QUESTIONS? ~~XXXXXX~~/WE SHOULD
 START WITH BILATERAL MATTERS AND THEN
 TURN BACK TO THE INTERNATIONAL SITUATION.
 SECRETARY I THINK THAT IS A GOOD WAY TO PROCEED, SO
 WE CAN BE SURE TO COVER THE BILATERAL
 ISSUES: WE CAN SPEAK FOREVER ON THE INTER-
 NATIONAL SITUATION.
 HUANG MRS. HAIG GOES TO THE GREAT WALL TODAY.
 SECRETARY I PROMISED HER A MOST IMPRESSIVE SCENE.
 I REMEMBER WELL CLIMBING UP THE WALL.
 HUANG IT'S A ~~REXX~~ BEAUTIFUL DAY TODAY. GOOD FOR
 CLIMBING. LET'S START.
 SECRETARY I THOUGHT IT WOULD BE HELPFUL TO DISCUSS
 RECENT TALKS WE HAVE HAD IN WASHINGTON

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REGARDING BILATERAL TRADE, AND TRANSFER
OF ITEMS SUCH AS TECHNOLOGY AND ARMAMENTS.
LAST NIGHT IN YOUR ELOQUENT TOAST YOU
TOUCHED UPON HOW FAR OUR RELATIONSHIP/HAS
PROGRESSSED AND THE NEED TO CONTINUE THIS
PROCESS. I WANT YOU TO KNOW PRESIDENT
REAGAN INTENDS TO DEAL AND CONDUCT RELA-
TIONS WITH CHINA AS A FRIENDLY COUNTRY WITH
WHICH WE ARE NOT ALLIED BUT WITH WHICH WE
SHARE MANY COMMON INTERESTS; AND FOR THIS
REASON, PRESIDENT REAGAN NOW INTENDS TO
PROPOSE TO CONGRESS NEW LEGISLATION WHICH
WOULD AMEND MANY US LAWS DATING FROM OUR
PAST ADVERSARIAL RELATIONSHIP WHICH LUMP
CHINA WITH THE SOVIET BLOC AND DISCRIMINATE
AGAINST IT. WE INTEND TO CHANGE THESE
LAWS. WE CONSIDER THESE CHANGES NECESSARY
TO THE US BECAUSE I BELIEVE A STRONG
VIALE CHINA IS IN AMERICA'S INTEREST, AS
I SAID IN MY TOAST LAST NIGHT.

VIEW
WITH THAT/IN MIND, PRESIDENT REAGAN HAS
ALREADY ISSUED A DIRECTIVE TO THE EXECUTIVE
BRANCH INCREASING THE POSSIBLE LEVEL OF
TECHNOLOGY TRANSFER TO CHINA. THE PRESIDENT

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ALSO INTENDS TO SUSPEND THE PROHIBITION^H
ON ARMS SALES TO CHINA AND CONSIDER N ANY
REQUESTS FOR THE EXPORT OF MUNITIONS TO
CHINA ON A CASE BY CASE BASIS, JUST AS WE
DO WITH ALL OTHER FRIENDLY NATIONS. IT
WOULD NOT BE OUR PURPOSE IN THIS VISIT TO
SEEK TO ENGAGE IN DISCUSSION ON SPECIFIC
ITEMS, AND I HAVE DISCUSSED WITH SECRETARY
OF DEFENSE WEINBERGER HOW BEST TO PROCEED.
HE HAS SUGGESTED THAT I USE THIS VISIT TO
INVITE YOU TO SEND A REPRESENTATIVE TO
WASHINGTON -- PERHAPS PLA GENERAL STAFF
VICE CHIEF LIU HUAQING -- TO THE US LATER
THIS SUMMER TO DISCUSS WHAT TYPES OF SPECI-
FIC EQUIPMENT AND TECHNOLOGY MIGHT BE OF
^R
INTEREST TO YOUR SIDE.

IT WOULD NOT BE OUR INTENTION TO ANNOUNCE
THIS NEW ARRANGEMENT UNTIL WE HAVE CONSULTED
FULLY WITH AFFECTED ALLIES AND DISCUSSED
XXX THIS MATTER, WHICH IS OF SOME SENSI-
TIVITY, WITH THE US CONGRESS.

IN SUMMARY, WHAT WE ANTICIPATE, DEPENDING
ON XMR YOUR OWN WISHES, IS, FIRST, TO TAKE

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A FAR MORE FORTHCOMING APPROACH TO ~~THE~~
TECHNOLOGY TRANSFER -- WHAT WE CALL "DUAL-
USE"
~~THE~~ /TECHNOLOGY WITH COMMERCIAL AND
MILITARY SIGNIFICANCE -- AND TO REMOVE
CHINA FROM THE SO-CALLED MUNITIONS LIST.
THIS HAS BEEN EXPRESSED TO YOU BEFORE, BUT
NOTHING HAS HAPPENED; SO I BELIEVE YOU WILL
SEE, DEPENDING ON YOUR OWN WISHES, A MUCH
B
MORE FLEXIBLE AND FORTHCOMING US POSITION
ON TECHNOLOGY TRANSFER AND THE POSSIBLE
EXPORT OF ARMS WHICH MIGHT BE OF INTEREST
TO YOU.

I HAVE SEVERAL OTHER BILATERAL ~~XX~~ TOPICS TO
MENTION, BUT PERHAPS YOU HAVE QUESTIONS
YOU ~~WXX~~ WOULD LIKE TO ~~XX~~ RAISE ON THESE SUB-
JECTS BEFORE WE PROCEED.

HUANG

GOOD. MR. SECRETARY, YOU HAVE TOLD US US
THINKING ON TRADE WITH CHINA AND TRANSFER
OF TECHNOLOGY TO CHINA, AND I WOULD LIKE TO
QUESTION
DEAL WITH THE/~~THE~~ THAT EXISTS BETWEEN
CHINA AND THE US -- THE TAIWAN QUESTION,
AND PARTICULARLY THE ARMS QUESTION.

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SECRETARY I WELCOME YOUR MEASURED AND IMPORTANT COMMENTS ON THE SUBJECT OF TAIWAN. AS YOU KNOW, I AM NOT A NOVICE ON THE HISTORICAL EVOLUTION OF THIS QUESTION. I RECALL
V
VIVIDLY DISCUSSIONS HERE IN THE EARLY 1970'S ASSOCIATED WITH THE DEVELOPMENT OF THE SHANGHAI COMMUNIQUE. THROUGHOUT THE
THE
NORMALIZATION PROCESS, BOTH CHINA AND/X
US HAVE BENEFITTED FROM REASONED APPROACHES]

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TO SEEMINGLY, LEGALISTICALLY INTRACTABLE PROBLEMS. IN THE SHORT SPAN OF LESS THAN A DECADE WE HAVE PROGRESSED THROUGH TWO CHINAS TO ONE CHINA TO THE FOUR CONDITIONS IN THE NORMALIZATION COMMUNIQUE. ALWAYS, THIS PROGRESS HAS BEEN THE DIRECT CONSEQUENCE OF WILLINGNESS ON BOTH SIDES TO PREVENT EXISTING LEGALISTIC DIFFERENCES FROM DERAILING OVERALL IMPROVEMENT OF THE RELATIONSHIP AND PREVENTING IMPROVEMENT OF THE X DIFFERENCES THEMSELVES.

FUNDAMENTALLY, THE CATALYST HAS BEEN UNDERSTANDING AND VISION OF LEADERSHIP ON BOTH SIDES AS THEY ^{DEALT} ~~DEALT~~ WITH THESE DIFFICULT QUESTIONS. UNFORTUNATELY, IN OUR CYCLES OF FOUR YEARS, US POLITICAL DISCUSSION BECOMES PUBLIC AND INTERNATIONALIZED, AND THIS POSES A THREAT TO THE PROCESS ITSELF. IT IS MY FIRMLY HELD VIEW THAT STATESMEN AND NATIONAL LEADERS CANNOT BE DIVERTED FROM THE FUNDAMENTAL REALITY OF THE US-CHINA RELATIONSHIP.

FOR THAT REASON, AND IN THE SPIRIT OF FRANKNESS THAT HAS ALWAYS CHARACTERIZED

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THE EVOLUTION OF OUR RELATIONSHIP, I
WANT TO ADDRESS SEVERAL ISSUES YOU'VE
RAISED, ABOVE ALL SPEAKING ON BEHALF OF
PRESIDENT ~~KA~~ REAGAN ON THE BASIC PRINCIPLES
UNDERLYING US POLICY ON TAIWAN. FIRST,
THERE CAN BE NO QUESTION THAT THE US IS
FIRMLY COMMITTED TO THE FRAMEWORK OF RELA-
TIONS IN THE JOINT COMMUNIQUE OF JANUARY 1,
1979. THE PRESIDENT AND HIS ENTIRE
ADMINISTRATION SUPPORT THIS COMMITMENT.
OUR DEALINGS WITH TAIWAN WILL REMAIN
UNOFFICIAL -- PEOPLE-TO-PEOPLE, AS
T
ESTABLISHED IN THAT COMMUNIQUE.

I MUST REITERATE WHAT WE HAVE SAID IN THE
PAST, THAT THE TAIWAN RELATIONS ACT WAS
S
NECESSARY FOR ESTABLISHING A LEGAL BASIS
FOR UNOFFICIAL CONTACT WITH THE PEOPLE OF
TAIWAN. WE ~~HAVE~~ NOT FROM THE BEGINNING,
AND WILL NOT IN THE FUTURE, VIEW THAT
ACT AS IN ANY SENSE CONTRADICTORY TO THE
PRINCIPLES OF THE JOINT COMMUNIQUE WHICH
ACCEPTED.
WE HAVE ~~KEEPT~~ THE FUNDAMENTAL REALITY
IS THAT WE WILL ONLY IMPLEMENT THAT ACT IN
A MANNER CONSISTENT WITH THE COMMUNIQUE.

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WE HAVE BEEN CONTINUALLY AWARE FROM EARLY
OF CHINA D
1970'S ~~XXXXXX~~ STATES INTENTION AND I
UNDERLINE THE WORD INTENTION, TO/WE ONLY
PEACEFUL MEANS TO RESOLVE TAIWAN PROBLEMS.

I CAN ASSURE YOU THAT, TWO MONTHS AGO,
PRESIDENT REAGAN APPRECIATED AMBASSADOR
CHAI'S REITERATION OF THIS POINT IN A
MEETING IN WHICH I AND AMBASSADOR HOLDRIDGE
PARTICIPATED.

SHOULD
I/ALSO ADD THAT THE US SIDE NOTES
WITH SATISFACTION CONTINUING REDUCTION OF
TENSION IN THE TAIWAN STRAIT AND WE
GREATLY APPRECIATE THIS CHINESE APPROACH
WE ALSO
AND ATTITUDE. /WEKA WELCOME THE FORMS
OF INDIRECT CONTACT WHICH HAVE EVOLVED
IN RECENT YEARS, FOR EXAMPLE, INDIRECT
TRADE, CASUAL OVERSEAS CONTACTS AND OCCA-
SIONAL TRAVEL. WE HA HOPE THAT SUCH CON-
TACTS MAY DEVELOP FURTHER. WE WELCOME
AND SUPPORT THESE CONTACTS AS THEY
EVOLVE. WE DON'T BELIEVE, HOWEVER, THAT
IT IS DESIRABLE OR APPROPRIATE FOR US TO
TAKE A DIRECT ROLE IN PROMOTING SUCH
CONTACTS OR IN BROKERING A SOLUTION TO THE

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TAIWAN PROBLEM. ^A THAT IS SOMETHING WHICH
YOUR GOVERNMENT WILL HAVE TO WORK OUT WITH
TAIPEI.

NOW I WANT TO COMMENT ON THE GENESIS OF THE
TAIWAN RELATIONS ACT ITSELF AS IT APPLIES
TO US ARMS SALES TO TAIWAN, A SENSITIVE
QUESTION WE AGREE. ^C INCIDENTALLY, I WANT
TO EMPHASIZE THAT THE ~~XX~~ TAIWAN RELATIONS
ACT WAS A PRODUCT OF BIPARTISAN CONGRESSION-
AL ACTION. EVEN THE MOST PRO-NORMALIZATION
ADVOCATES, SUCH AS SENATOR GLENN, WERE
STRONG SUPPORTERS OF THIS ACT. ^{IT IS,} ~~/BXXXXX~~

~~IMRRTXNXXSREXT~~

FOR BETTER OR WORSE, THE LAW OF THE LAND
IN THE US. BUT THE IMPORTANT ASPECT TO
RECALL IS THAT AT THE TIME OF NORMALIZA-
TION THE US SIDE INDICATED IT WOULD
CONTINUE TO MAKE AVAILABLE TO TAIWAN
CERTAIN CAREFULLY ~~XXX~~ SELECTED DEFENSIVE
WEAPONS. WE HAVE DONE THIS, BEARING IN
MIND THAT CHINA IS -- AS FROM THE OUTSET --
STRONGLY OPPOSED, AS IT MUST BE, ^B FOR BOTH
POLITICAL AND STRATEGIC REASONS. AND I
BELIEVE, BOTH SIDES, AT THE TIME ^{OF} ~~/BRXXX~~

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NORMALIZATION. WERE AWARE OF THESE DIFFERENCES AND WERE PREPARED TO PROCEED DESPITE THESE DIFFERENCES, ^{DRIVEN} ~~BY~~ BY EVEN LARGER CONSIDERATIONS.

I HAVE ALWAYS SEEN THE TAIWAN QUESTION AS A WHEEL WITHIN A LARGER WHEEL. I KNOW WE HAVE BOTH BEEN DOMINATED BY THE PERCEPTION THAT THE LARGER WHEEL MUST CONTINUE TO DOMINATE THE DIFFERENCES EMBODIED IN THE SMALLER WHEEL. IN THE SMALLER WHEEL, JUST AS CHINA HAS ITS IMPERATIVES, SO THE US ~~MX~~ MUST MANAGE ITS OWN; AND I SPEAK FRANKLY WHEN I SAY THAT, POLITICALLY, THE AMERICAN PEOPLE AND THEIR ELECTED REPRESENTATIVES WOULD NOT HAVE TOLERATED A TOTAL ~~MX~~ CUTOFF ~~MX~~ OF ARMS SALES TO TAIWAN, WHOSE PEOPLE HAVE SO LONG BEEN CLOSELY ASSOCIATED WITH US. STRATEGICALLY IT WOULD SERVE NEITHER US NOR CHINESE INTEREST TO DRIVE A TAIWAN PRECIPITOUSLY INTO A POSTURE OF DESPERATION. RATHER THAN ACCEPTING THE OBJECTIVE OF INEVITABLE RECONCILIATION WITH THE PEOPLES REPUBLIC OF CHINA, TAIWAN AUTHORITIES COULD EASILY EXPLORE A SOVIET

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OPTION OR, EVEN MORE DANGEROUSLY, ATTEMPT
DEVELOPMENT OF A SEPARATE NUCLEAR CAPA-
BILITY. THESE ARE DANGERS WE MUST AVOID.

ALL THESE FACTORS, POLITICAL AND STRATEGIC,
CERTAIN
DICTATE PROVISION OF/XXXXXXN MODEST
DEFENSIVE WEAPONRY TO TAIWAN, FOR THE
FORESEEABLE FUTURE. WE MADE IT VERY CLEAR
AT THE TIME OF NORMALIZATION THAT WE WOULD
CONTINUE TO PURSUE THIS POLICY. NOTHING WE
WILL DO IN THE FUTURE WILL DEPART FROM
WHAT WE HAVE SAID AND DONE IN THE PAST. WE
WE WILL DO SO WITH VERY SENSITIVE/XXXXX
RECOGNI-
TION OF THE ACUTE SENSITIVITIES OF THIS
MATTER FOR YOU, AND WE WILL ACT WITH
PRUDENCE AND RESTRAINT, ALWAYS WITH RESPECT
FOR YOUR SENSITIVITIES WHICH YOU HAVE
ALWAYS TOLD US CLEARLY FROM THE FIRST
DAYS OF OUR DISCUSSIONS.

I WANT ALSO TO EMPHASIZE THAT, CORRECTLY
OR INCORRECTLY, SOME AMERICANS BELIEVE THAT
AFTER THE NORMALIZATION COMMUNIQUE THAT
WT TAIWAN WAS DEALT WITH UNNECESSARY
BRUTALITY BY LEADERS OF WASHINGTON AND AS
PRESIDENT REAGAN TOLD YOUR AMBASSADOR YOU

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CANNOT HAVE RELIANCE, HERE IN BEIJING, ON
A NATION WHICH WILL CALLOUSLY DEPART FROM
FUNDAMENTAL AND PRINCIPLED, MORAL OBLIGA-
TIONS TO ITS FRIENDS.

REGARDING ARMS TO TAIWAN, WE'VE MADE NO
DECISIONS ON FUTURE SALES. MOST IMPORTANTLY,
THERE HAS BEEN NO DECISION ON PROVISION
OF FIGHTER AIRCRAFT TO TAIWAN. WE DO
NOT ANTICIPATE A DECISION ANY TIME THIS
YEAR. THIS IS DRIVEN FIRST AND FOREMOST
BY OUR RECOGNITION OF THE SENSITIVITY
OF THE ISSUE HERE. IT IS CLEAR, HOWEVER,
THAT THIS QUESTION WILL HAVE TO BE ADDRESSED,
AS AIRCRAFT IN TAIWAN WEAR OUT IN 1982.
AGAIN, I EMPHASIZE THAT THIS QUESTION WILL
BE DEALT WITH THE UTMOST CAUTION AND
PRUDENCE AND CONCERN FOR THE SENSITIVITIES
HERE, WHICH WE SHARE.

NOW, FRANKLY, ONE OF THE GREAT PROBLEMS
JUST BEFORE MY VISIT WAS A PASH OF NEWS-
PAPER SPECULATION ABOUT WHAT WE WOULD DO
ON SALES OF ARMS TO CHINA AND TO THE PEOPLE

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OF TAIWAN, AND IT FORCED US TO MAKE SOME STATEMENTS OF OUR OWN TO TRY TO KEEP THIS SPECULATION UNDER CONTROL. THAT WAS UNFORTUNATE BECAUSE IT POSED GREAT DIFFICULTIES HERE; BUT, HAD WE LET THOSE RUMORS GO UNCHALLENGED, THE PROBLEMS HERE WOULD HAVE BEEN EVEN GREATER. UNFORTUNATELY, IN THE U.S. SYSTEM, WE DO NOT HAVE THE ABILITY OR AUTHORITY TO LIMIT STATEMENTS BY PRIVATE CITIZENS ~~OR PRIVATE~~ ARE SOME OF WHOM ~~WERE~~ FORMER GOVERNMENT OFFICIALS; BUT WE DO STRONGLY URGE THAT CHINA TAKE ACCOUNT OF OUR OFFICIAL STATEMENTS AND DEEDS, NOT THE REMARKS OF FORMER OFFICIALS, NO MATTER WHAT POSITION THEY ~~HOLD~~ HELD.

IN SUM, WE NEED CHINA'S TOLERANCE ON THIS ISSUE AND ITS UNDERSTANDING THAT WE WILL MEET OUR WORD. AS PART OF THIS NECESSARY TOLERANCE ON YOUR PART, WE FRANKLY FEEL LESS PUBLICITY IS BEST. WE CANNOT PREVENT TAIWAN FROM CLAIMING THAT THERE IS MORE GOING ON THAN THERE IS. IT IS IN THEIR INTEREST TO DO SO. WE ASK YOU NOT TO OVERREACT TO TAIWAN PRESS & STORIES

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WHICH ARE SELF-SERVING, AND OFTEN INACCURATE,
AND WHICH COULD DAMAGE OUR RELATIONS,
AFFECT THE LARGER WHEEL, AND INTERFERE
WITH FURTHER NORMALIZATION. OUR NORMALI-
ZATION IS BASED ON OVERALL STRATEGIC
IMPERATIVES, AND WE MUST SAFEGUARD THIS, TO
PRESERVE WORLD PEACE AND TO OPPOSE HEGEMONISM.

HUANG

I'LL SAY A WORD OR TWO ABOUT WHAT YOU SAID.

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SECRETARY ~~XXXXXXXXXX~~ YOUR LAST COMMENTS ARE
ACCEPTED, AND INDEED ADMIRER. I ASSURE
YOU THAT UNDER PRESIDENT REAGAN THERE
WILL BE NO STEPS TAKEN WHICH WILL DO

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VIOLENCE TO THE POINTS YOU'VE MADE HERE
AND THAT HAVE BEEN PART OF OUR EXISTING DIALOGUE
SINCE 1972. I REMIND YOU OF THE SHANGHAI
COMMUNIQUE, IN WHICH WE ACCEPTED THAT
TAIWAN IS A PART OF CHINA; AND WE WILL
NOT DO ANYTHING WHICH DEPARTS FROM THAT
BASIS.

HUANG

GOOD.

SECRETARY

I WOULD LIKE TO MAKE SOME OTHER BILATERAL
OBSERVATIONS BRIEFLY. FIRST, WE WOULD
LIKE TO PARTICIPATE IN YOUR NUCLEAR POWER
DEVELOPMENT. I AM VERY PLEASED THAT A
U.S. DELEGATION WILL BE COMING HERE
FOR TALKS ON THIS NEXT MONTH, WHICH I HOPE
CAN LEAD TO SOME COLLABORATION AND
COOPERATION BETWEEN US. SECOND, WITH
RESPECT TO THE ISRAELI RAID ON THE IRAQI
NUCLEAR FACILITY THAT YOU MENTIONED
LAST NIGHT, WE ARE VERY CONCERNED THAT
THE EXPORT OF NUCLEAR MATERIAL FROM
CHINA NOT OCCUR WITHOUT NUCLEAR SAFEGUARDS.
THIRD, I JUST WANT TO TOUCH UPON OUR
HOPES THAT TALKS MR. HOLDRIDGE WILL HAVE

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MR.

WILL SETTLE DETAILS OF CONSULAR QUESTIONS WHICH I UNDERSTAND ARE CLOSE TO CONCLUSION ON NEW YORK AND SHENYANG. WE HAVE ACCEPTED YOUR BASIC POSITION AND PERHAPS THIS COULD BE CONCLUDED AND ANNOUNCED DURING THIS VISIT, THAT IS AGREEMENT ON BOTH SIDES. LASTLY, IN MY MEETING WITH BO YIBO, I WILL TALK ABOUT SOME COMMERCIAL ACTIVITIES TO INCLUDE SOME PROPOSALS BY OUR SECRETARY OF COMMERCE TO DEAL WITH TRADE WITH CHINA, WHICH I BELIEVE YOUR COLLEAGUES ARE FAMILIAR WITH BUT ARE NOW AN APPROVED U.S. POSITION.

GENERAL WALTERS IS NOW BUSY WITH MR. WU XIUQUAN. MR. DOWNING WILL PERIODICALLY PROVIDE SUCH BRIEFINGS IN FUTURE. I HAVE CONFIDENCE IN MR. DOWNING; HE'S A VERY PROFESSIONAL OFFICER. IF YOU FIND, ~~HOWEVER~~ HOWEVER, THAT THESE BRIEFINGS ARE NOT PROCEEDING AS YOU WOULD LIKE, ~~PLEASE~~ PLEASE ~~ADVISE~~ ADVISE US AND WE WILL MAKE APPROPRIATE CHANGES.

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